

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA)	
)	Case No. 1:07-CV-0352
Plaintiff)	TJM/RFT
)	
v.)	DECLARATION # 11
)	BY DEFENDANT SCHULZ
)	
)	
)	
ROBERT L. SCHULZ;)	
WE THE PEOPLE FOUNDATION FOR)	Date: October 8, 2007
CONSTITUTIONAL EDUCATION, INC.; and)	Time: 10:00 A.M.
WE THE PEOPLE CONGRESS, INC.)	Ctrm:
)	
Defendants)	

I, ROBERT L. SCHULZ, declare under penalty of perjury:

1. I am a Defendant in the matter captioned above and I make this Declaration in support of the motion for Reconsideration.
2. I make this Declaration in my individual capacity and as Chairman of Defendant We The People Foundation for Constitutional Education, Inc. (“WTP Foundation”), and as Chairman of Defendant We The People Congress, Inc. (“WTP Congress”).
3. The purpose of this Declaration is to present further documentary evidence to rebut the claim that the distribution of Schulz’s March 15, 2003 letter to the Government and its attachment, the Blue Folder (Defendants’ “Educational Program”), has caused economic harm to the IRS, by causing the IRS to process 2991 substitute for returns for 997 people as a result of the participation by those people in the Educational Program.
4. On information and belief, any such substitutes for returns were prepared by the IRS for people who were not participating in the subject Educational Program, but were Plaintiffs in *We The People v U.S.* (or donors who were supporting WTP’s Right to Petition program) and

had furnished the DC Court with affidavits saying they had withdrawn their financial support from the Government because the Government was refusing to respond to their Petitions for Redress of certain constitutional torts.

5. The three defendants in the instant civil injunction case (We The People Foundation for Constitutional Education, Inc., the We The People Congress, Inc., and Robert Schulz) are the lead Plaintiffs in declaratory judgment action titled, *We The People v. U.S.*¹, which action was initiated in 2004 by over 1400 named Plaintiffs.²

6. The over 1400 named Plaintiffs in *We The People v. U.S.* signed one or more of the four Petitions for Redress of constitutional torts relating to the Government's violation of the war powers, privacy, money and tax clauses of the Constitution, and signed an Affidavit in 2004, saying that because the Government had not responded to any of those four Petitions for Redress they stopped filing tax returns until their Grievances were redressed.³

7. On December 7, 2005, I received a letter from IRS agent David Gordon (the same Agent referred to by the Court in footnote 10 on page 20 of the Order granting summary judgment in the instant case) notifying me that the IRS's investigation of me as a promoter of "abusive tax shelters" has been transferred from agent Roundtree to him.⁴

8. In the Spring of 2006, Agent Gordon sent letters to the Plaintiffs in *We The People v. U.S.* requesting their cooperation with the IRS who, he said, was conducting a "6700" investigation of Schulz and the We The People organization regarding "abusive activities as a promoter of tax products and services." In his letter, Gordon told the Plaintiff that his

¹ *We The People Foundation, et al v United States, et al.* On August 3, 2007, the United States Court of Appeals for the District of Columbia Circuit denied a Petition for Rehearing En Banc. (Case No. 05-5359). The matter will soon be presented to the United States Supreme Court. A copy of the Petition for Rehearing En Banc is in the Record of this case. Schulz Decl #9, Exhibit A.

² A copy of the complaint, with full caption is attached hereto.

³ A copy of the 1400+ Affidavits is attached hereto.

⁴ See Schulz Decl #3 in the instant case, Exhibit V.

contact with that Plaintiff would be kept a secret if the Plaintiff wanted it that way. Proof of all this is provided in Affidavits to the Court in *We The People v. U.S.* Copies of those affidavits by Plaintiffs Stephen Albright, Kathleen Little, Kimberly Owen, David Sharp, Clyde Shaulis and Richard McFarland are attached hereto.

9. Agent Gordon sent a *second letter* to each Plaintiff in *We The People v. U.S.* who had not complied with Gordon's request, saying that the IRS will be initiating an investigation of that Plaintiff's tax returns by serving summonses on "other parties," suggesting punishment for not complying. For instance, see the Affidavit filed in support of the instant motion by Plaintiff John Q. Little (copy attached hereto).

10. Plaintiffs in *We The People v. U.S.*, after receiving Agent Gordon's first and second letters, had their wages, bank accounts, retirement and social security payments taken by the IRS, liens placed on their homes and third party summonses issued to other parties, presumably after substitutes for return were prepared by the IRS. According to those Plaintiffs, this was being done by the IRS administratively without a court order and without following the appropriate procedures spelled out in the Internal Revenue Code. See, for instance, the Affidavit by Plaintiff Douglas Allsup (copy attached).

11. Agent Gordon also sent his letters to people who were not Plaintiffs in *We The People v. U.S.*, but who had donated money to the WTP Foundation via PayPal. See Schulz Declaration #3, Exhibit W for copies of Gordon's letters to donors Robert Helveston and Sharon Harper.

12. Other Plaintiffs in *We The People v. U.S.*, without receiving any letter from Gordon, are also having their wages, bank accounts, retirement and social security payments taken by the IRS, liens placed on their homes and third party summonses issued to other parties.

According to those Plaintiffs, this is being done by the IRS administratively without a court order and without following the appropriate procedures spelled out in the Internal Revenue Code. For instance, see the Affidavits attached hereto by Plaintiffs Charles and Catherine Cartier, Frank Grieser, C. Gene Johnson, Scot Johnson, John Korman, Dan Hanna and Julie Daube.

12. Word about IRS's investigation of Schulz and the We The People Foundation regarding their "*potentially* abusive activities as a promoter of tax products and services" is being passed around among the Foundation's supporters and donors and other People via the Internet. See Schulz Declaration #3, Exhibit X for a copy of one such e-mail.

13. Following the mailing of said letters by Gordon to Plaintiffs and non-plaintiffs alike, the enforcement actions being initiated against Plaintiffs in *We The People v. U.S.*, and the general publicity about the IRS's ongoing "6700" investigation, some Plaintiffs asked to be removed from that lawsuit and from Defendants' e-mail list. See Schulz Declaration #3 Exhibit Y for a copy of one such letter. In addition, correspondence with and Donations to the Foundation dropped significantly in 2006 as follows:

Donations	
2001	375,731
2002	427,129
2003	360,475
2004	392,919
2005	322,613
2006	75,000 (1 st 9 months)

Dated: August 19, 2007

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